GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

STARRED QUESTION NO:7
ANSWERED ON:01.12.2004
MERGER OF BSNL AND MTNL
Gehlot Shri Thaawar Chand;Varma Shri Ratilal Kalidas

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether there is any proposal to merge or synergise BSNL and MTNL operations in the near future;

(b) if so, whether the modalities have been worked out in this regard;

(c) the extent to which the merger is likely to help in improving the efficiency of the two public undertakings in providing cost effective service to the public; and

(d) the steps taken to safeguard the interests of workers in both the organisations?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI DAYANIDHI MARAN)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 7 FOR 1ST DECEMBER, 2004 REGARDING MERGER OF BSNL AND MTNL.

(a) Yes Sir, the Government is examining different options for restructuring of MTNL & BSNL with the objective of bringing higher synergy in their operations.

(b) The Government has appointed consultants to advice and assist in the restructuring task. In the first phase of assignment, the consultant shall submit a report on the most appropriate restructuring option to the Government.

(c) & (d) After evaluation of the options with reference to all important issues such as the likely business synergies, transaction costs, concerns of shareholders, managements & employees etc., final decision would be arrived at. The restructuring of both PSUs will strengthen their competitive positioning and enhance value for stakeholders.